



Senior Officials' Meeting 28

June 2022

CAREC 2030: Agriculture & Water

July 2021 to June 2022

Central Asia Regional Economic
Cooperation (CAREC) Program





CAREC WATER SECTOR PROGRESS REPORT AND WORK PLAN

JULY 2021 – JUNE 2022

Reference Document
Virtual Senior Officials' Meeting
Central Asia Regional Economic Cooperation
28 June 2022



CAREC SOM 2022

Summary Progress Report for Water Pillar

- The TA 9977-REG: Developing the Central Asia Regional Economic Cooperation Water Pillar was approved on 12 May 2020 in the amount of \$225,000 with an original closing date of 30 June 2021 that was extended to 31 March 2022. The outcome of this initial phase was scope of the CAREC Water Pillar developed with three outputs (i) future demand for water resources in the Central Asia region up to 2050 estimated, (ii) water resources development opportunities identified and (iii) policy and institutional strengthening framework prepared. The TA initially covers five Central Asian developing member countries of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan. In December 2021, the TA was increased to \$413,000 to extend the scope to include prepare of concept notes for two priority project activities under the second output and to define the institutional arrangements for the Water Pillar under the third output. The completion date was extended to 31 December 2022.
- In response to the desire of CAREC member countries to gradually extend Water Pillar activities beyond Central Asia, the TA amount was further increased in May 2022 to \$728,000 with a revised completion date of 31 December 2023. Additional activities relate to expanding coverage of the Water Pillar to river basins in Georgia and Azerbaijan and will involve analysis of water resources and climate impacts in the new areas under Output 1, and under Output 2, to develop two additional concept notes and disseminate guidance on climate-resilient infrastructure and design the expanded Water Pillar framework.
- Work completed in 2021 included the three discussion papers on climate/water resources analysis, economic value of water, and legal/policy analysis. On 14 September 2021 a second regional consultation was held to consider the draft framework for the Water Pillar with feedback provided by relevant government agencies in the five Central Asian DMCs and other national and regional stakeholders. It was also presented at the CAREC national focal points meeting (held virtually on 12 October 2021) and submitted as an information item to the virtual CAREC Ministerial Conference on 17 November 2021. The scoping study report comprising summary of the analysis and the revised Water Pillar framework was completed in December 2021 and published on the CAREC website in January 2022.
- Mobilization of additional consultants for the current stage that will lead to identification of initial priority projects took place in March-April 2022 and the expanded consultant team is now working on a mapping exercise of relevant projects in the region (about 40% complete) and arranging national consultations with each of the 5 Central Asian countries which took place in April and May 2022.
- The schedule for the remainder of 2022 will involve completion of the mapping exercise, including meetings with the Executive Committee of the International Fund for Saving the Aral Sea (EC-IFAS), preparation of a longlist of potential Water Pillar projects, development of concept notes for two priority activities, expanding the geographic coverage of the Water Pillar and consideration of institutional arrangements for the sector working group.



Key Developments and Results

Table 1: Work Undertaken since SOM 2021

Item	Work undertaken since last SOM under Water Pillar (Agriculture and Water Cluster)
Regional Consultations	2 nd Regional Consultation on draft framework for Water Pillar completed in September 2021
Scoping Study	Completed in January 2021 and published on CAREC website January 2022
National consultations	Initial consultations completed in all 5 Central Asian countries in April/May 2022
Mapping exercise	Desk study approximately 40% complete. Meetings with development partners approx. 20% complete
Development of project longlist	Some initial ideas received from key stakeholders.

Challenges and Key issues

- The COVID-19 pandemic has introduced some limitations in the way of working but has not materially affected the program. However, if virtual working practices continue, the ability to reach consensus on how to address issues in the water sector will be compromised. Being able to meet in person to better understand the nature of issues and concerns and explore the benefits of a more cooperative approach is going to be an important part of the next phase.
- Several of the activities proposed for consideration in the Water Pillar require improvement in data acquisition systems and the sharing of hydrological and other information. All countries in the region are embarking in improving their national management information systems and it will be important to explore how the CAREC Water Pillar can support inter-governmental processes and other development partners in building experience and capacity for regional data exchange.
- A considerable level of support will be required for knowledge management, policy development and capacity development activities. These will normally be grant funded and establishing partnerships with other development partners will be essential. The mapping exercise is designed to identify areas of synergy and encourage discussion on partnership funding.



Work Proposed

Table 2: Work proposed until September 2022

Item	Proposed work
Mapping exercise	Draft to be completed in June 2022
Development of project longlist for Central Asia	Initial draft due in August 2022
Regional consultation	Third regional consultation to be held in September 2022 to review draft project longlist Knowledge event on related issues planned for Q4, 2022
Concept notes	Drafts for 2 project activities in Central Asia in November 2022 Drafts for 2 project areas in expanded geographic area in March 2023
Scoping analysis for expansion of geographic area	Draft due in November 2022
Institutional arrangements for CAREC Water Pillar	Initial draft - August 2022 Revised draft – October 2022 Establish sector working group – November 2022 Expand working group for broader geographical coverage – March 2023